

10 August 2018

The Secretary  
Legislative Council Select Committee – Short Stay Accommodation in Tasmania  
Legislative Council  
Parliament House, HOBART 7000

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Dear members of the committee

I write in support of the current policy that enables property owners to use their residential property for short term accommodation with appropriate compliance. I will outline my reasons to retain the current arrangement in this submission. We feel that some of the commentary has not been helpful in understanding the substantial benefits that short- term stays provide to the economy of Tasmania.

By way of background, our business operates a short-term stay accommodation service, which includes reservations, guest liaison, cleaning and other services to owners of properties. We are a wholly owned and operated Tasmanian company. This calendar year (to 31 July) we have welcomed approximately 1200 groups of guests (close to 5000 guests), so we have substantial experience in understanding guests' requirements and expectations.

We currently employ 4 full time staff and our cleaner employees 6 FTE staff entirely devoted to the properties we host. Our business has grown from 1 staff member and 1 cleaner in just 2 years. We believe we are making a positive contribution to employment in Tasmania and we expect our business to grow further over the coming years to enable us to employ many more Tasmanians.

In regards to the terms of reference, our comments are as follows:

1/ Growth of short stay accommodation. There has been significant growth in tourist numbers in recent years and the more traditional style (hotel rooms) of accommodation does not suit some of these tourists. Over 80% of the guests we host are family groups and the remainder are groups of friends or other groups. It is not practical for families to have to rent multiple hotel rooms and often these hotel rooms are only in prime locations and are not affordable for families. There is also the issue of all family members having to share a single room, typical of most hotels. In our experience it's difficult to have a restful nights' sleep. Families also want the option of a full kitchen that enables them to cook rather than eat out for 2-3 meals a day. Our Asian guests in particular require the use of a kitchen to prepare their meals. Short term houses/ apartments are family friendly and more affordable. We believe that many guests would not travel to Tasmania if they could not have access to a house as it will not be affordable for them to do so. This would be detrimental to the local tourist industry and local economy.

In regards to recent trends with online booking, Airbnb, Home Away Stayz and other sites allow hosts to easily advertise their property and guests to request information and make a reservation. These sites, in particular Airbnb, are very strict with the accuracy of the listing and require guests to establish a profile

and submit identification, contact number etc. On a majority of these booking sites the guests (and hosts) are rated. The rating system acts as quality control for both hosts and guests.

2/ Impact of short term accommodation on the residential housing sector. Hosting Hobart operate in Hobart so our experience is in this market. A majority of tourists visit Hobart during their stay and this is where the largest number of properties are concentrated. It's likely there will be some impact on housing stock.

According to figures from the data collection site Inside Airbnb, as of February 2018 there are 859 properties offered on a full- time basis in Hobart. This represents a small percentage of the total housing but depending on supply, which we believe is more the issue, then it would have an impact on residential housing available for rent.

The properties Hosting Hobart offer do not fall in to the category of affordable housing for low income earners, even if they were on the long- term rental market. The weekly rents would be too high. Also, not all properties are suitable for short term accommodation and this has been conveyed to many of the people who contact us regarding our services. As I point out below, there are properties that come and go from the short stay market for various reasons and the numbers will fluctuate for various reason such as:

- Competition. The increase in the number of properties available for short term accommodation has resulted in greater competition amongst short stay properties. Nightly rates have been affected, particularly in winter, and some owners have decided to go back to long term rentals, particularly those that are not in prime locations closer to the city as the returns were not up to expectations. We have seen a shift back in the other direction because rents have risen and vacancy rates are low. We wouldn't be surprised if the vacancy rate for long term rentals increases over the next 12 months. Our view is that only quality, well managed properties will be viable long term on the short stay market as the consumer (guest) has higher expectations and they are becoming more demanding with their requirements.
- Operating short term accommodation requires a lot of work and it's a 7 day a week proposition. The initial enjoyment will fade for many operators and these properties may be removed from the market
- Development – supply and demand . We have close contact with developers and builders who are benefiting from lower than average property stock levels versus demand in Hobart. We suggest that the committee have a close look at the supply side in conjunction with population growth rather than react to a shortage of rental stock at a particular point in time. Building approvals, land sub divisions and homes under construction data would be the best place to start

3/ Impact on tourism sector.

- Without short stay accommodation there will be less tourists visiting Tasmania
- Poor choice of accommodation options
- Unaffordable for families who will choose to holiday in other states/overseas
- Local businesses such as cafes and restaurants that are currently receiving more of the tourist dollar will be affected as the concentration of guests would be in large hotels
- Businesses such as ours will have to make staff redundant
- Our suppliers of linen, cleaning services, Tasmanian wine, Tasmanian chocolates etc will be adversely effected

#### 4/ Regulatory issues.

Regulations should concentrate on the safety of guests, so that the guest are occupying a safe property, and that in the event of a fire the guests are alerted by working smoke detectors. The current approval process requires this however we would recommend that a simple one page form be submitted on an annual basis confirming that the property has working smoke detectors and working sanitary facilities.

We don't believe there is any evidence of guests having an adverse effect on neighbourhood amenity. In the 2 years we have operated we have had 1 noise complaint and a complaint from a neighbour that a guest had parked too close to their driveway. We believe the Tasmania Police would be able to provide statistics on noise complaints from tourists and I highly doubt there will be much to say. The guest and host rating system on most booking sites enables the good and poor guests to be publicly reviewed. Properties will quickly fall out of favour with guests, and guests won't be welcomed by future hosts, if they are not respectful of the property and neighbours. The reviews are public so it's a good, workable system.

In regards to parking, we can't see how there would be much difference if there was someone living at a property compared to a tourist visiting using a car. In fact, we believe that because the property does not always have someone residing in it, or guests choose not to have a car, there is less impact on the availability of parking. Also, many permanent residents have 2 vehicles or more and the tourist is likely to have just the 1 vehicle.

#### 5/ Other matters

It is often assumed that property owners only have an interest in offering their property for short term accommodation for financial reasons. Most of our clients are focused on the flexibility short stays offer them. They prefer to have access and use of their house between guests, to occupy it themselves or for family and friends. A majority are locals living in Hobarts, others in the north of the state, and some from interstate. Our clients pay taxes and rates and contribute to local business by purchasing locally produced products and using local services. This includes the renovation of their property, purchase of furniture, consumables and professional services

We feel that our business and other small business in the tourist sector should be supported by Government policy and Legislation as this is essential for the continued growth of the local economy. Different accommodation options have been clearly embraced by travelers and current arrangements are working very well.

We are more than happy to meet with you to discuss our ideas if the opportunity arises.

Yours faithfully

Matthew Barnard  
Director

Brent Daniels  
Director